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Ukraine Terminates Antidumping Suit Against US Poultry With No Duty

Report Categories:

Agricultural Situation

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Report Highlights:

The Ukrainian Interagency Commission on Foreign Trade adopted a decision that discontinued Ukraine's antidumping investigation against US and Brazilian poultry parts without imposition of antidumping measures on the countries under investigation. The decision was published in official media on October 9th 2010, ending the investigation that took 18 months to conclude. US poultry may access the Ukrainian market without restrictions.

Executive Summary:

The antidumping investigation against US and Brazilian poultry parts was initiated by a complaint from a small group of big Ukrainian poultry producers. It officially began on March 17th 2009 and was prolonged for an additional half year, taking the case into 18 months of investigation. This carried the case from the Tymoshenko administration's time in power to the Yanukovych administration's rule. In the Complaint the Ukrainian industry tried to justify their claim and requested 110% and 189% antidumping import duties for US and Brazilian products respectively. The Final Determination was published in Ukraine's official newspaper "Uriadovyi Courier" only on October 9th, 2010.

The announcement reads:

Quote

Announcement on Termination of an Antidumping Investigation Against imports of chicken halves and quarters into Ukraine from the United States of America and Federal Republic of Brazil.

Interagency Commission on Foreign Trade (hereafter Commission) reviewed the petition from Ukrainian producers – Myronivsky Hliboproduct OJSC, Ptahocombinat Dniprovsky CJSC, Rubi Rose Agricol Co. Ltd. concerning withdrawal of their Complaint initiating an antidumping investigation against imports of poultry halves, legs and leg quarters from the United States of America and Federal Republic of Brazil into Ukraine. As a result of the review and according to Point 6 of Part 6, Article 5 of the law of Ukraine "On Protection of National Producers against Dumping Imports" adopted a Decision No. 238/2010/4402-40 "On Termination of the Antidumping Investigation against Import of Poultry Halves, Legs and Leg Quarters from the United States of America and Federal Republic of Brazil into Ukraine" without imposition of antidumping measures. This Decision is empowered from the publication in the "Uriadovyi Courier" newspaper.

End of Quote

Potential Trade Impact

Trade in poultry products is the biggest part of US agricultural exports to Ukraine. The Ukrainian producers proposed a 110% import duty for poultry leg quarters which would have stopped trade in this product completely.

The US dominates the import market and the potential losses to US industry would have been significant had these duties been imposed.

Ukraine Import Statistics
UDG: _PSD BROILER MEAT, _PSD BROILER MEAT
Calendar Year: 2007 – 2009, Tons

Partner Country	Unit	Quantity			% Share			% Change
		2007	2008	2009	2007	2008	2009	2009/2008
United States	T	89,185.00	160,711.00	119,803.00	63.48	63.75	66.04	-25.45
Germany	T	18,174.00	31,421.00	20,666.00	12.94	12.46	11.39	-34.23
Netherlands	T	4,387.00	15,863.00	11,931.00	3.12	6.29	6.58	-24.79
Hungary	T	7,998.00	17,014.00	11,133.00	5.69	6.75	6.14	-34.56
Belgium	T	4,790.00	5,450.00	7,450.00	3.41	2.16	4.11	36.69
Poland	T	0.00	5,613.00	5,594.00	0	2.23	3.08	-0.35
Other	T	15,952.00	16,030.00	4,827.00	10.56	4.62	1.57	N/A
World	T	140,487.00	252,104.00	181,404.00	100	100	100	-28.04

Despite formal termination of the AD investigation Ukraine may continue to use existing trade barriers to hamper US exports of poultry and products. Poultry importers complain about restrictions imposed by two authorities: Ukraine's Customs Service (CS) and the State Committee for Veterinary Medicine of Ukraine (SCVMU). According to importers Customs assigns arbitrarily high import values for imported poultry products which results in an increased associated import duty and Value Added Tax. In some reported cases, new import valuation rules have more than doubled the import clearance price. In turn the SCVMU has qualitatively limited imports using restrictive import permit procedures. Due to unclear and controversial legislation the SCVMU has called for import permits for all imported products of animal origin including meat. In many cases importers were denied import permits because of some technicalities or errors in application. In some cases import permits have been delayed, so importers experienced additional losses in ports due to demurrage. Despite these remaining trade barriers, curtailing of the AD investigation is an important step in trade relations between the United States and Ukraine. Had there been an imposition of AD duties, these would have stopped all legal trade in US products into the country.